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BEFORE THE
Federal Communications Commission

WASHINGTON, D.C. 20554

MAR 12 1996

In the Matter of)

Implementation of Sections of the)
Cable Television Consumer Protection)
and Competition Act of 1992 -- Rate)
Regulation)

CS Docket No. 95-174

Uniform Rate-Setting Methodology

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REPLY COMMENTS OF TIME WARNER CABLE

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Dated: March 12, 1996

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SUMMARY

The Commission's **Notice of Proposed Rulemaking** ("**Notice**") proposes to permit cable operators to establish uniform rates for cable services provided over multiple franchise areas. The **Notice** cites subscriber confusion and needless administrative burdens on cable operators among the reasons for its proposal. These problems stem from Commission rules requiring cable rates to be set individually in each franchise area. These rates often vary widely, because of community-specific factors (e.g., income) incorporated in the rate formula, and because each franchising authority typically imposes different franchise-related costs upon the cable operator. Cable marketing efforts become inefficient and confusing. Administrative burdens increase for all parties involved.

Thus, Time Warner and the majority of commenters agreed with the Commission's proposal to permit uniform rates. Most commenters agreed that cable operators should have the flexibility to choose between the alternative methodologies proposed by the Commission for calculating uniform rates. As these commenters point out, either methodology would protect subscribers by being revenue neutral.

Most commenters also agreed with the Commission that cable operators should be able "to itemize and charge for franchise-related costs outside the uniform rate-setting formula." Congress intended that subscribers be informed of the hidden charges and taxes in their cable bills. Moreover, such itemization would permit the cable operator to charge uniform rates net of franchise-related costs, similar to the manner in which long distance telephone, cellular telephone, and other services are marketed.

Additionally, the Commission's uniform rate proposal would be meaningless unless cable operators are permitted to advertise their uniform rates. Time Warner and other

commenters urged the Commission to clarify that its rules permit cable operators to advertise uniform rates, along with a notation that other fees and charges may apply.

The majority of commenters argued that cable operators should be able to establish uniform rates for reasonably proximate systems with comparable lineups. Uniform rates should not be limited to a single ADI or a single cable system. Cable service and marketing does not always follow such neat lines. Similarly, such systems should not be required to have identical channel lineups. Often, due to circumstances beyond the cable operator's control, channel lineups differ between communities, either in number or type of channels. Such differences should not preclude the cable operator from establishing uniform rates. Additionally, where a cable operator undertakes a node-by-node upgrade, the operator should be able to temporarily offer two uniform rate structures, one in the upgraded areas and one in the areas not yet upgraded, until the operator completes the upgrade.

Most commenters also agreed that procedural changes were needed to implement and effectuate the Commission's proposals. For instance, initial adoption of uniform rates should take effect automatically after 30-days notice. Similar procedures could be applied to annual adjustments to uniform rates. The Commission should also require that BST rate appeals be consolidated for communities served by an operator charging uniform rates. Furthermore, BST rate orders concerning systems that charge uniform rates should be automatically stayed until all relevant LFAs have reviewed the operator's BST rate adjustments. Finally, the majority of commenters agreed with the Commission that cable operators should be free to offer uniform rates in unregulated as well as regulated areas.

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REPLY COMMENTS OF TIME WARNER CABLE

Time Warner Cable ("Time Warner") respectfully submits these Reply Comments in response to the Commission's Notice of Proposed Rulemaking released November 29, 1995.^{1/} Various subsidiaries and affiliates of Time Warner Inc. operate cable television systems throughout the country. In the Notice, the Commission proposes to implement an optional rate-setting methodology under which a cable operator could establish uniform rates for cable service tiers offered in multiple franchise areas.^{2/} Time Warner filed comments supporting the Commission's proposal.

The majority of parties who filed comments in this proceeding also supported the Commission's proposal. These parties agreed that the Commission's current rules, which require separate rate setting in each individual community, "may cause needless confusion

^{1/}Notice of Proposed Rulemaking, CS Docket No. 95-174, FCC 95-472 (released November 29, 1995) ("Notice").

^{2/}Id. at ¶ 1.

for subscribers, as well as unnecessary administrative burdens for cable companies."^{3/} For example, Time Warner and other commenters demonstrated the confusing array of maximum rates permitted in each community served in each franchise area, even where the programming provided to each community is the same.^{4/}

Meanwhile, as Time Warner and others pointed out, cable operators face increasing competition from alternate providers, such as DBS, who are not constrained in pricing and marketing their video services.^{5/} As the Commission stated in its December 1995 Report to Congress on competition in the video programming distribution marketplace, "progress has begun toward a competitive marketplace for the distribution of video programming."^{6/} The recent passage of the Telecommunications Act of 1996 will only accelerate such competition.^{7/} These developments sharply contradict the concern raised by the National Association of Telecommunications Officers and Advisors ("NATOA") that "companies could set rates under the proposed uniform rate option to unfairly stifle emerging competition."^{8/} With competition in the video marketplace rapidly emerging from Regional

^{3/}Id. See also, Ohio Cable Telecommunications Association ("Ohio Cable Association") comments at 2; TCI/Continental comments at 2-4; Blade Communications comments at 1-2; Massachusetts Cable Television Commission ("Massachusetts Cable Commission") comments at 2.

^{4/}Time Warner Comments at 3, Exhibit A; Cablevision Cable Systems Corporation ("Cablevision") comments at 5-6.

^{5/}Time Warner comments at 4-5; National Cable Television Association ("NCTA") comments at 4; TCI/Continental comments at 2-3.

^{6/}Second Annual Report, CS Docket No. 95-61, FCC 95-491 (released December 11, 1995), at ¶ 5.

^{7/}See Massachusetts Cable Commission comments at 2.

^{8/}NATOA comments at 5.

Bell Operating Companies, utility companies, and others, some of whom are many times the size of their cable competitors, it is difficult to believe that cable operators could stifle such competition.^{2/} To the contrary, the ability to set uniform rates is critical to the ability of cable operators to respond quickly to competitive factors and for consumers to make informed choices among competing offerings, freed from the mind-boggling hodge-podge of non-uniform cable rates under the current FCC approach.

Accordingly, the approach advocated by the Commission to address these problems, i.e., permitting cable operators to set uniform rates over multiple franchise areas, and to itemize franchise-related costs over and above the uniform programming service rates, will minimize subscriber confusion, permit cable operators to respond to competition and maximize administrative ease for the Commission and local franchising authorities ("LFAs").^{10/} Time Warner applauds the Commission's proposal and urges its prompt adoption.

I. CABLE OPERATORS SHOULD BE ABLE TO CHOOSE THE UNIFORM RATE SETTING METHODOLOGY THAT BEST SUITS THEIR BUSINESS

The Commission has proposed two alternative methodologies for computing uniform rates. Under the first approach, all basic rates would be reduced to the lowest basic rate offered in any community. The difference would be made up through revenue-neutral

^{2/}See, e.g., Shira McCarthy, "Telcos Aim to Make a Bundle on Packaged Services," Telephony, February 12, 1996 at 22; John M. Higgins, "DBS Deals Send EchoStar Stock Soaring," Multichannel News, February 5, 1996 at 47; Richard Tedesco, "BA Plans First Network Launches," Broadcasting & Cable, February 26, 1996 at 52.

^{10/}See, e.g., Ohio Cable Association comments at 2-3.

adjustments to the CPST. Under the second approach, BST and CPST rates would be averaged, on a revenue-neutral, subscriber weighted basis.

Time Warner argued in its Comments that cable operators should have the option to choose either rate-setting methodology on a case-by-case basis, depending on the unique characteristics of the cable systems in question.^{11/} Other commenters agreed that the methodology ultimately adopted must allow for cable operator flexibility to respond to the rapidly changing video marketplace.^{12/} Moreover, as NCTA and others pointed out, revenue neutrality will ensure that uniform rates remain reasonable, in accordance with the 1992 Cable Act.^{13/} Thus, NATOA's claim that the Commission's proposal "conflicts with the statutory mandate under the 1992 Cable Act" to ensure the reasonableness of BST and CPST rates^{14/} is unfounded.

Time Warner and other commenters also argued for the flexibility to establish uniform rates as to all rates which are potentially subject to regulation, whether basic service tier ("BST"), cable programming service tier ("CPST") or equipment rates.^{15/} As MediaOne stated, "[u]niform equipment and installation rates offer many of the same advantages as uniform program service rates -- including simplicity for the consumer,

^{11/}Time Warner comments at 5-6.

^{12/}See Charter Communications, Inc. et al. ("Charter") comments at 10; Cablevision comments at 10-11; NCTA comments at 10-11; Ohio Cable Association comments at 9-10.

^{13/}NCTA comments at 4-5; Ohio Cable Association comments at 4, 10.

^{14/}NATOA comments at 6.

^{15/}Time Warner comments at 1; Cablevision comments at 12-14; NCTA comments at 12-13; Ohio Cable Association comments at 16.

efficiency for the cable operator, reduced burdens for the regulator and improved promotional and marketing opportunities that, in turn, help to foster effective competition.^{16/} Likewise, the Massachusetts Cable Commission

has found that equipment rates are particularly amenable to being set on a uniform basis. We have found that cable operators often have centralized facilities from which consumer equipment is supplied to many different franchises.^{17/}

NATOA claimed that uniform rates would increase, not decrease, the administrative burdens faced by LFAs.^{18/} However, any steps to eliminate subscriber confusion should reduce telephone calls, letters, questions and complaints from subscribers to the local franchising authority, thus reducing the authority's burdens in handling such matters. Moreover, LFAs would benefit by not having to review "a multiplicity of differing rates,"^{19/} especially where the LFA (e.g., a county government) oversees more than one cable system. Additionally, since uniform rates would be "easy to calculate and easy to administer, the administrative burdens on cable operators and local franchising authorities should be minimal."^{20/} As to uniform equipment rates, the Massachusetts Cable Commission stated that "we have found that the existence of a uniform equipment rating

^{16/}MediaOne, Inc. ("MediaOne") comments at 7. See also, Charter comments at 15-16.

^{17/}Massachusetts Cable Commission comments at 6.

^{18/}NATOA comments at 6.

^{19/}MediaOne comments at 2.

^{20/}Ohio Cable Association comments at 10.

scheme has simplified our role in the rate review process.^{21/} Congress has also endorsed uniform equipment rates in the Telecommunications Act of 1996.^{22/}

II. CABLE OPERATORS ARE PERMITTED TO ITEMIZE FRANCHISE-RELATED COSTS

Recognizing that "costs associated with PEG channels and other franchise-related costs may vary among franchise areas," the Commission suggested that it should "permit the cable operator simply to itemize and charge for franchise-related costs outside the uniform rate-setting formula."^{23/} Time Warner and other commenters agreed with this proposal.^{24/} As Time Warner stated, "[t]here is no way to achieve regional rate uniformity unless these differing franchise-related costs can be isolated from the uniformity calculation and then added back as an itemized amount in each relevant community."^{25/} This approach also satisfies the concerns raised by the Cities of Cape Coral, FL et al., i.e., that LFAs will be denied the ability to negotiate specific PEG services and benefits.^{26/} In fact, cities will be able to negotiate such benefits, and subscribers will be aware of the cost of such benefits. As Time Warner made clear, the Commission's suggested approach would reduce subscriber

^{21/}Massachusetts Cable Commission comments at 6.

^{22/}Telecommunications Act of 1996, Pub. L. 104-104, 110 Stat. 56 (1996), at § 623(a)(7).

^{23/}Notice at ¶ 10.

^{24/}See Time Warner comments at 7-8; Charter comments at 12-14; Adelphia Communications Corporation ("Adelphia") comments at 5-6; Ohio Cable Association comments at 9, 12; TCI/Continental comments at 8-9.

^{25/}Time Warner comments at 7.

^{26/}Cape Coral, FL et al. comments at 4.

confusion, because subscriber bills throughout the cable system would contain uniform basic and CPST rates, and only franchise-related costs, which would be clearly itemized, will vary from community to community.^{27/} Customers have the right to know how much of their cable bills are made up of local taxes, rather than having such taxes hidden in the overall rate.^{28/}

As Time Warner pointed out, the 1992 Cable Act clearly permits such itemization, and the Commission has reinforced this point numerous times.^{29/} Other commenters argued that the 1992 Cable Act at minimum anticipates, and may even require, itemization.^{30/} However, Time Warner agrees with the City of Rock Hill, SC that "it should not have to subsidize the rest of York County's cable service."^{31/} The way to avoid such cost shifting is for the cable operator to calculate a uniform rate net of such franchise costs, and to itemize the costs as a separate line item on the subscriber's cable bill.^{32/} Such itemization would not, as some commenters claimed, lead to subscriber confusion,^{33/} because

^{27/}Time Warner comments at 7.

^{28/}See 138 Cong. Rec. S569 (1992) (statement of Sen. Lott). See also, Time Warner comments at 7-8; MediaOne Comments at 9; TCI/Continental comments at 8-9.

^{29/}Time Warner comments at 8.

^{30/}See Cablevision comments at 16-17; MediaOne comments at 9-10.

^{31/}Rock Hill, SC comments at 2. See also, Cape Coral, FL et al. comments at 3-4; Ohio Cable Association comments at 12.

^{32/}Time Warner comments at 9.

^{33/}New Jersey Ratepayer Advocate comments at 6; New Jersey Attorney General comments at 11-12.

consumers are already very familiar with such uniform pricing as to other goods and services, including cellular and long distance telephone service.^{34/}

III. CABLE OPERATORS SHOULD BE ALLOWED TO ADVERTISE AND MARKET UNIFORM RATES

As Time Warner pointed out, Section 76.946 of the Commission's rules can be construed to restrict the ability of cable operators to advertise regionally uniform rates.^{35/} According to that provision, cable operators advertising rates for multiple franchise areas might be required to include specific information regarding varying franchise fee and other governmentally-imposed costs, even where the underlying service rates are identical.^{36/} Such a requirement would be unduly restrictive. The benefits of the Commission's uniform rate setting proposals can best be accomplished, without any risk to consumers, by a more general "fee plus" approach to regional advertising, pursuant to which cable operators would be permitted to advertise their uniform service rate together with a notation disclosing to potential subscribers that other local fees and charges may apply, and advising consumers to contact the cable operator for more information regarding the exact amount of any such incidental fees in their particular community.

Time Warner urged the Commission to clarify Section 76.946 of its rules to allow similar advertising and marketing techniques that are employed by other telecommunications

^{34/}See Time Warner comments at 11-12, Exhibit B.

^{35/}Time Warner comments at 9; NCTA comments at 16-17.

^{36/}See also Third Order on Reconsideration, MM Docket No. 92-266, 9 FCC Rcd 4316, 4368 n.99 (1994); Thirteenth Order on Reconsideration, MM Docket No. 92-266, FCC 95-397, 60 FR 52106 (October 5, 1995) at ¶¶ 142-43.

providers to be employed by the cable industry.^{37/} For example, cable advertising and marketing materials could contain legend specifying that:

Rates are exclusive of governmental fees, taxes and other franchise-related costs. Any such amounts will be clearly itemized on monthly bills. You may contact your cable operator to determine the exact amount of any such incidental fees applicable to your service area.

IV. CABLE OPERATORS SHOULD HAVE FLEXIBILITY TO ESTABLISH UNIFORM RATES FOR ANY REASONABLY PROXIMATE SYSTEMS WITH COMPARABLE LINE-UPS

Many commenters joined Time Warner in urging the Commission to grant cable operators the flexibility to establish uniform rates (a) for reasonably proximate systems (b) with comparable channel line-ups, (c) even if not in the same ADI.^{38/} As these commenters recognized, a single cable system might cross an ADI boundary.^{39/} Likewise, a cable operator might operate more than one cable system per ADI, and desire to market these systems together, but such systems may have non-material differences in channel capacity, programming line-ups, etc. The rate uniformity provisions should apply flexibly, to account for such varying situations.

^{37/}Time Warner comments at 13.

^{38/}See, e.g., *id.* at 13-14; NCTA comments at 7-9; Adelphia comments at 2-4; Ohio Cable Association comments at 3-4; New Jersey Attorney General comments at 9-10 (favoring "establishment of uniform rates which cross ADI boundaries, so long as the services offered are uniform.")

^{39/}Time Warner comments at 14; Charter comments at 4; Cablevision comments at 9-10; Blade Communications comments at 4-5; Massachusetts Cable Commission comments at 3-4.

For example, in some cases, cable operators may not be able to achieve channel line-up uniformity due to circumstances beyond their control.^{40/} This could occur where one franchising authority requires a different number of PEG access channels than another franchising authority served by the same system,^{41/} or where a cable system is partially located in two different ADIs, each with different must-carry obligations. In such situations, the cable operator should not be restricted from instituting uniform rates because of circumstances which are outside its control.^{42/}

Cable operators also should not be rendered ineligible for uniform pricing by small differences in the number of channels offered, even where such differences are voluntary on the part of the cable operator.^{43/} Time Warner suggested that cable operators should be allowed to restructure the channel line-ups of neighboring systems, in a revenue neutral fashion, so as to provide greater uniformity.^{44/} Similarly, the Ohio Cable Association requested that the Commission allow cable operators "to add channels to BST and CPST line-ups to the extent necessary to equal the number of channels offered on the operator's system with the largest number of channels on each of those tiers."^{45/} These suggestions should be

^{40/}Time Warner comments at 16.

^{41/}See id.; Notice at ¶ 23; MediaOne comments at 5.

^{42/}See also, Charter comments at 14-15; NCTA comments at 7-8.

^{43/}See, e.g., TCI/Continental comments at 4-5.

^{44/}Time Warner comments at 15; TCI/Continental comments at 6-7.

^{45/}Ohio Cable Association comments at 6-8.

adopted since they are consistent with the 1992 Cable Act's goals of increased diversity of views and information, and expanded programming offerings.^{46/}

Likewise, as Time Warner argued in its comments, if a cable system offers the same number of channels in different communities, but airs different programming on certain channels, the cable operator should still be able to set uniform rates.^{47/} Other commenters made similar suggestions.^{48/} The Commission should follow its longstanding policy not to judge the content of different programming services, and allow for these small channel line-up variations.

However, as Time Warner and other commenters pointed out, where a cable operator undertakes a node-by-node upgrade, the operator should not be required to raise its rates everywhere to achieve uniformity. Rather, the operator should be able to temporarily offer two uniform rate structures -- one in the upgraded areas, and the other in the areas that have not yet been upgraded.^{49/} As the cable operator completes the upgrade, each upgraded node would have its rates adjusted accordingly, to the upgraded uniform rate.

V. PROCEDURAL ADJUSTMENTS NECESSARY TO INSTITUTE RATE UNIFORMITY

Time Warner and other commenters agreed with the Commission's analysis that cable operators electing to implement uniform rates should not be subject to the vagaries of

^{46/}1992 Cable Act, Section 2(b)(1) and (2).

^{47/}Time Warner comments at 16.

^{48/}See MediaOne comments at 5; TCI/Continental comments at 5-7; Massachusetts Cable Commission comments at 9-11.

^{49/}See, e.g., Charter comments at 8-9; MediaOne Comments at 6.

"multiple local tolling orders of varying durations."^{50/} Accordingly, Time Warner supported with the Commission's proposal that a cable operator's initial adoption of uniform rates be allowed to take effect automatically after giving the requisite 30-days advance notice to subscribers and franchising authorities.^{51/} Time Warner also suggested that while such initiation of uniform rates would not be subject to tolling by franchising authorities, certified franchising authorities would retain their opportunity to review BST rate increases pursuant to Commission procedures analogous to those adopted in the Thirteenth Reconsideration Order.^{52/}

Furthermore, Time Warner stated that similar procedures could be applied to annual adjustments on a "going forward" basis.^{53/} As Time Warner made clear, subscribers would be fully protected through the FCC's refund process and through the Form 1240 methodology which requires any prior overcharges to be trued-up in the following year.^{54/} Therefore, LFAs would not, as Cape Coral *et al.* believe, face reduced jurisdiction over cable rates.^{55/}

Time Warner also requested the Commission to require that appeals be consolidated with respect to BST rates applicable to different communities served by an operator who has

^{50/}Time Warner comments at 17; NCTA comments at 14-15.

^{51/}Time Warner comments at 17, Charter comments at 12.

^{52/}Time Warner comments at 17-18.

^{53/}Id. at 18.

^{54/}Id.; Charter comments at 11-12; NCTA comments at 14-15.

^{55/}Cape Coral, FL *et al.* comments at 2-3.

elected to implement rate uniformity.^{56/} In order to facilitate such consolidation of appeals, Time Warner suggested that any BST rate order adopted by a community served by a system which has implemented uniform rates be automatically stayed until all relevant LFAs have completed their review of the operator's BST rate adjustments.^{57/}

The Commission "propose[s] that operators be free to establish uniform rates under the uniform rate-setting approach in unregulated as well as regulated franchise areas for purposes of uniformity."^{58/} Time Warner agreed with this proposal, as did other commenters.^{59/} Without such flexibility, "MSOs and subscribers would still face differing rates for identical products throughout a service area."^{60/} However, Time Warner and other commenters also suggested that a subsequent decision by a formerly unregulated community to exercise rate regulation authority should not be allowed to override the benefits to the public of rate uniformity.^{61/}

VI. THE CONCERNS RAISED BY SOME COMMENTERS ARE UNFOUNDED

NATOA stated that it "is not opposed to uniform cable rates."^{62/} Moreover, "NATOA does not disagree with the Commission's position that lowering marketing costs

^{56/}Time Warner comments at 18; Ohio Cable Association comments at 14-15.

^{57/}Time Warner comments at 19; Ohio Cable Association comments at 15.

^{58/}Notice at ¶ 17.

^{59/}See Charter comments at 5-7; Cablevision comments at 14-15; Massachusetts Cable Commission comments at 11.

^{60/}Cablevision comments at 14.

^{61/}Time Warner comments at 20; TCI/Continental comments at 14.

^{62/}NATOA comments at 2.

and enhancing competition are goals worthy of pursuing."^{63/} However, NATOA opposed the Commission's uniform cable rate proposal because NATOA claims it would increase confusion for a number of subscribers, lead to rate increases, exacerbate administrative burdens for regulatory authorities, and permit anticompetitive pricing by cable operators.^{64/} NATOA argues that under either of the Commission's two proposed uniform rate methodologies, some subscribers would experience rate increases while others would have rate decreases.^{65/} However, as Time Warner and other commenters explained, uniform pricing can be achieved on a revenue neutral basis.^{66/} This is similar to the Commission's requirement that the deletion and substitution of channels, such as the shifting of channels between BSTs and CPSTs, be revenue neutral.^{67/} As the Commission stated in adopting this requirement, "[r]evenue neutrality protects consumers by ensuring that our requirements do not create incentives for operators to move channels to tiers with more subscribers solely to increase revenues."^{68/} The revenue neutral requirement for uniform cable rates will protect subscribers in a similar manner.

^{63/}Id. at 4.

^{64/}Id.

^{65/}Id. at 4-5.

^{66/}See n.13, supra.

^{67/}47 C.F.R. § 76.922(e).

^{68/}Sixth Order on Reconsideration, Fifth Report and Order, and Seventh Notice of Proposed Rulemaking, FCC 94-286, MM Docket Nos. 92-266 and 93-215, 10 FCC Rcd 1226 (1994), at ¶ 86.

NATOA also states that subscribers will be more, not less confused, by uniform pricing, because some subscribers will experience rate increases.^{69/} However, both Time Warner and Cablevision included charts showing the many varying rates across individual cable systems under the current rate regulation regime.^{70/} Subscribers literally pay different rates from their neighbors across the street for the same level of programming. Contrary to the views of Rock Hill, SC, a resident does not need to move to experience this confusion.^{71/} It is difficult to understand how uniform cable pricing, where subscribers will pay the same rate as their neighbors and will clearly see each line item comprising such rates, could be more confusing than the present situation.

NATOA seems to be arguing that any change in rates, including the initial transition to uniform rates, may result in subscriber confusion. Assuming this to be true, the fact is that cable operators are permitted to change their rates up to four times a year.^{72/} Under NATOA's standard, therefore, subscribers are "confused" up to four times each year. Thus, any additional subscriber confusion attributable to the one-time change over to uniform rates will be de minimis. Moreover, going forward, uniform rates will be much less confusing than a continuation of the current system, under which rate disparities among communities served by the same cable system will be perpetuated or even exacerbated. Rate changes cannot be avoided under any methodology, but under the Commission's uniform rate

^{69/}NATOA comments at 5.

^{70/}Time Warner comments at Exhibit A; Cablevision comments at 8.

^{71/}Rock Hill, SC comments at 1-2.

^{72/}47 C.F.R. § 922.

proposal, the rates subject to change will be clear and identical across broader geographical areas. By definition, such rates will be less confusing to consumers.^{73/} In short, cable operators have the most to lose if cable rates cause subscriber confusion, since the subscriber has a direct business relationship with its cable operator. All of the cable operators commenting in this proceeding, as well as other commenters, including various local governmental authorities, agree that the Commission's uniform rate proposal will reduce subscriber confusion.

CONCLUSION

The Commission's proposal to establish an optional cable rate setting methodology under which a cable operator can establish uniform rates throughout multiple franchise areas should be applauded. It will reduce subscriber confusion, as well as administrative burdens

^{73/}It is ironic that NATOA argues here that the Commission should minimize the frequency of rate changes, whereas only a few months ago NATOA argued in comments regarding the Thirteenth Order on Reconsideration that cable operators should be required to file FCC Form 1240 on the most frequent possible basis (annually), or else "lose any right to recoup undercharges that are more than two years old. "Comments of NATOA, MM Docket No. 92-266, filed November 6, 1995, at 4-7, n.4.

for local franchising authorities, the Commission, and cable operators. The proposal should be adopted promptly, along the lines of the suggestions summarized herein.

Respectfully submitted,

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Dated: March 12, 1996